
STATE OF IOWA DEPARTMENT OF

Health ^{AND} Human

SERVICES

Iowa Medicaid Overview

Health Policy Oversight Meeting

December 9, 2022

Overview

- | | |
|---|--|
| 1 | Iowa Medicaid Strategic Plan Overview |
| 2 | Implementation of Legislation Appropriations |
| 3 | SFY2023 MCO Contracts and Rules |
| 4 | Public Health Emergency Unwind Plan |
| 5 | Molina Onboarding Timeline |

Iowa Medicaid Strategic Plan



Mission and Vision

Mission

Iowa Medicaid is committed to ensuring that – all members have equitable access to high quality services that promote dignity, barriers are removed to increase health engagement, and whole person health is improved across populations.

Vision

Iowa Medicaid works diligently to operate a fiscally responsible and sustainable program that improves the lives of its members through effective internal and external collaboration, innovative solutions to identified challenges, and data driven program improvement.

Values

Partnership

Integrity

Diversity,
Equity and
Inclusion

Accountability

Advocacy

Mission

Iowa Medicaid is committed to ensuring that all members have equitable access to high quality services that promote dignity, barriers are removed to increase health engagement and whole person health is improved across populations.

Vision

Iowa Medicaid works diligently to operate a fiscally responsible and sustainable program that improves the lives of its members through effective internal and external collaboration, innovative solutions to identified challenges and data-driven program improvement.

Objectives

1. Identify and mitigate program gaps in meaningful service delivery.

2. Shift program operations and planning to focus on outcomes.

3. Promote transparency in program development and performance.

4. Modernize Iowa Medicaid infrastructure and operations.

Action Items

1. Gap analysis of disability and behavioral health services.
2. Evaluate service delivery and engagement through the lens of equity to remove barriers to engagement.
3. Implementation of pilot programs to measure successful innovations.
4. Develop necessary maternal health coordination & reimbursement strategies that lead to appropriate risk identification & referrals.
5. Coordinate policy initiatives to ensure that oral health is a component of whole person health.

Action Items

1. Overhaul contracts to create balance between compliance and outcome monitoring.
2. Evaluate the value of administrative processes, such as prior authorization and claims cycles, relative to member outcomes and return on investment.
3. Evaluate internal Iowa Medicaid administrative purposes to reduce low value tasks and increase high value tasks.

Action Items

1. Provide thoughtful, audience-focused communications to members and other stakeholders.
2. Consistent application of program mission, vision and objectives.
3. Engage internal and external stakeholders early and often in development and monitoring activities.
4. Refine reports and dashboards so that they are reflective of stakeholder needs, while ensuring protection of patient privacy and dignity.
5. Readily share opportunities for improvement and solicit input.

Action Items

1. Pursue technology solutions that supports collaboration, data-driven decisions efficiency and monitoring of program outcomes.
2. Promote business process and IT modernization that drives high quality data.
3. Update team project structures to leverage resources within and out of the agency for more impactful interagency collaboration.
4. Modernize the process of updating Medicaid provider reimbursement rates.
5. Align reimbursement structures that incent quality services that improve outcomes.

Values: Partnership, Integrity, Diversity/Equity/Inclusion, Accountability, Advocacy

Progress on Objectives

Identify and mitigate program gaps in meaningful service delivery.

Gap analysis of disability and behavioral health services.

Final report expected in January 2023.

Equity analysis of service delivery and utilization.

Dashboard scheduled to launch in July 2023.

Develop necessary maternal health coordination & reimbursement strategies that lead to appropriate risk identification referrals.

Therapeutic foster care program to launch in July 2023.

Coordinate policy initiatives to ensure that oral health is a component of whole person health.

Oral health workgroup began October 2022.

Shift program operations and planning to focus on outcomes.

Overhaul contracts to create balance between compliance and outcome monitoring.

Managed care contract refresh in 2023, professional contracts rolling beginning in 2022.

Evaluate the value of administrative processes, such as prior authorization and claims cycles, relative to ROI.

Prior authorization workgroup and Iowa Hospital Association workgroup pushing out ongoing improvements.

Evaluate internal Iowa Medicaid administrative processes to reduce low value tasks and increases high value tasks.

Evaluation as part of Medicaid Enterprise Modernization Effort (MEME) work.

Promote transparency in program development and performance.

Provide thoughtful, audience-focused communication to members and other stakeholders.

Monthly Town Halls and Listening Sessions launched 2021.

Consistent application of program mission, vision and objectives.

Engage internal and external early and often in development and monitoring activities.

Refine reports and dashboards so they are reflective of stakeholder needs.

Dashboard scheduled to launch in July 2023.

Readily share opportunities for improvement and solicit input.

Includes stakeholder surveys and Town Hall discussions.

Identify and mitigate program gaps in meaningful service delivery.

Pursue technology solutions that support collaboration, data driven decisions, efficiency and monitoring of program outcomes.

Provider module development 2023.

Additional priorities mapped February 2023.

Promote business processes and IT modernization that drive high quality data.

Embedded in MEME plan.

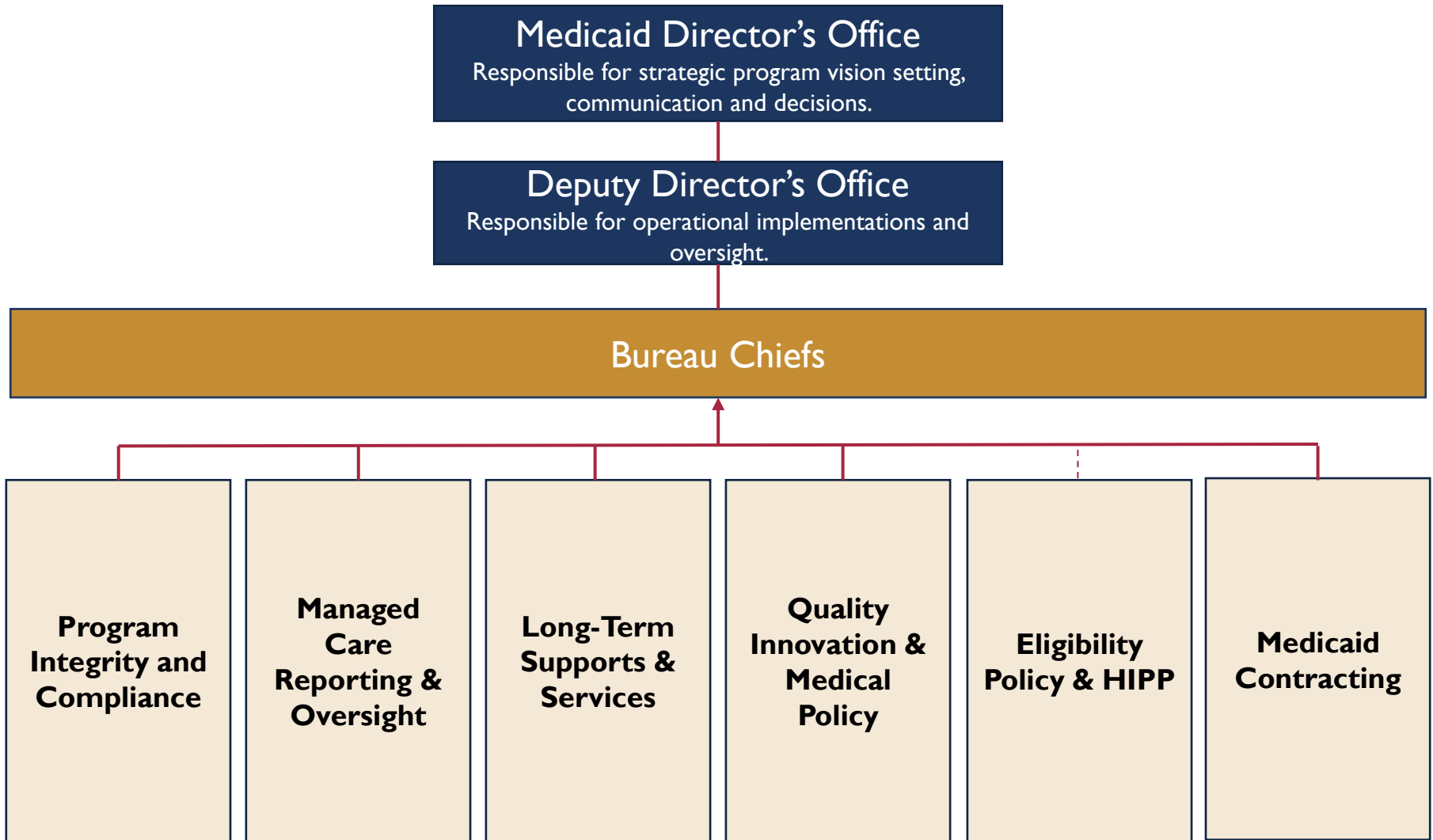
Update team project structures to leverage resources within and outside of agency for more impactful collaboration.

Modernize process of updating Medicaid provider reimbursement rates.

First set of rate reviews ready in February 2023.

Align reimbursement structures that incent quality services that improve outcomes.

UIHC directed payment approved and others are in development.



Implementation of Legislation Appropriations



Functional Family Therapy & Multisystemic Therapy

HHS is required to submit a Medicaid State Plan amendment to include Functional Family Therapy (FFT) and Multisystemic Therapy (MST) for youth under covered Medicaid services.

Iowa Medicaid partnered with the Coalition for Family and Children's Services in Iowa and the New York Foundling Implementation Support Center to identify the costs associated with implementing the evidence-based practice models.

New York Foundling provided a summary of their findings and recommendations in late October.

The State Plan amendment will be submitted to CMS for review prior to the end of the year.

Medicaid Postpartum Coverage

In 2022, the Iowa Legislature directed Iowa HHS to review postpartum coverage available to members' pregnancy-related Medicaid coverage and develop a report to the General Assembly.

Number of Postpartum Members Receiving Services		
Year	Pharmacy	Medical, Dental and Institutional Services
2020	694	7,187
2021	916	10,075
2022	854	8,771

Legislative Rate Increases

All of the rates below were implemented on July 1, 2022.

Home Health Rural Incentives

- An increase of \$1,777,082

Immediate Care Facilities for Intellectual Disabilities (ICF/ID)

- An increase of \$1,339,971

Behavioral Health Intervention Services

- An increase of \$1,277,082

Psychiatric Tiered Rates

- An increase of \$1,500,000

Applied Behavioral Analysis Services Rates

- An increase of \$385,000

HCBS Rate Increases

HCBS and habilitation providers were given a 4.25% rate increase during the last legislative session leveraging ARPA funds.



Waiver Interest List Buy-Down

Intellectual Disability (ID) Waiver (Nov. 2022)

- 5,996 people on the waiting list (Nov. 2022)
- The buy-down for ID slots gave 399 new slots that can be filled as of July 1, 2022.
- Since July 1, Iowa Medicaid has released 1,060 ID waiver slots to fill the new slots AND the slots that open due to attrition each month.

Psychiatric Intensive Care Tiered Rates

Rolled out by collaborating with our MCOs and our providers and partners.

Training for providers and claims processors is being developed.

- To roll out near the end of the year.

Starting January 2023, Iowa Medicaid will have a rate for:

- General Psychiatric Care
- Intensive Psychiatric Care.

Ground Emergency Medical Transportation (GEMT)



The GEMT Program allows providers of public ambulance transportation to receive supplemental payments to cover the difference between provider costs and the Iowa Medicaid base payment for transportation.



To be eligible for the GEMT program, GEMT enrollees must meet all the following requirements:

- Be enrolled as an Iowa Medicaid provider for the period being claimed on their annual cost report.
- Provide ground emergency medical transport services to Iowa Medicaid members.
- Owned or operated by an eligible governmental entity.

EMS Services do not adjust the method in which they submit claims:

- The only difference for GEMT providers is the use of an additional line-item entry for A0999.
- A0999 pays the provider their specific uncompensated average cost per transport for the current state fiscal year.

GEMT Payment Program is conducted in such a way that is does not result in any additional expenditures from the state general fund:

Payments are not considered to be an individual increase to current fee-for-service rates. Payments are based on the actual costs to perform EMS transports.

FY2023 MCO Contracts and Rates



FY2023 MCO

Contracts and Rates

- Iowa HHS recently executed two contract amendments with Amerigroup Iowa (AGP) and Iowa Total Care (ITC) to administer the IA Health Link Program. These amendments were executed to include changes to rates based on the final appropriations bill and update contract language based on Iowa Legislation.
- These contract amendments are still pending approval by CMS and may be subject to change.



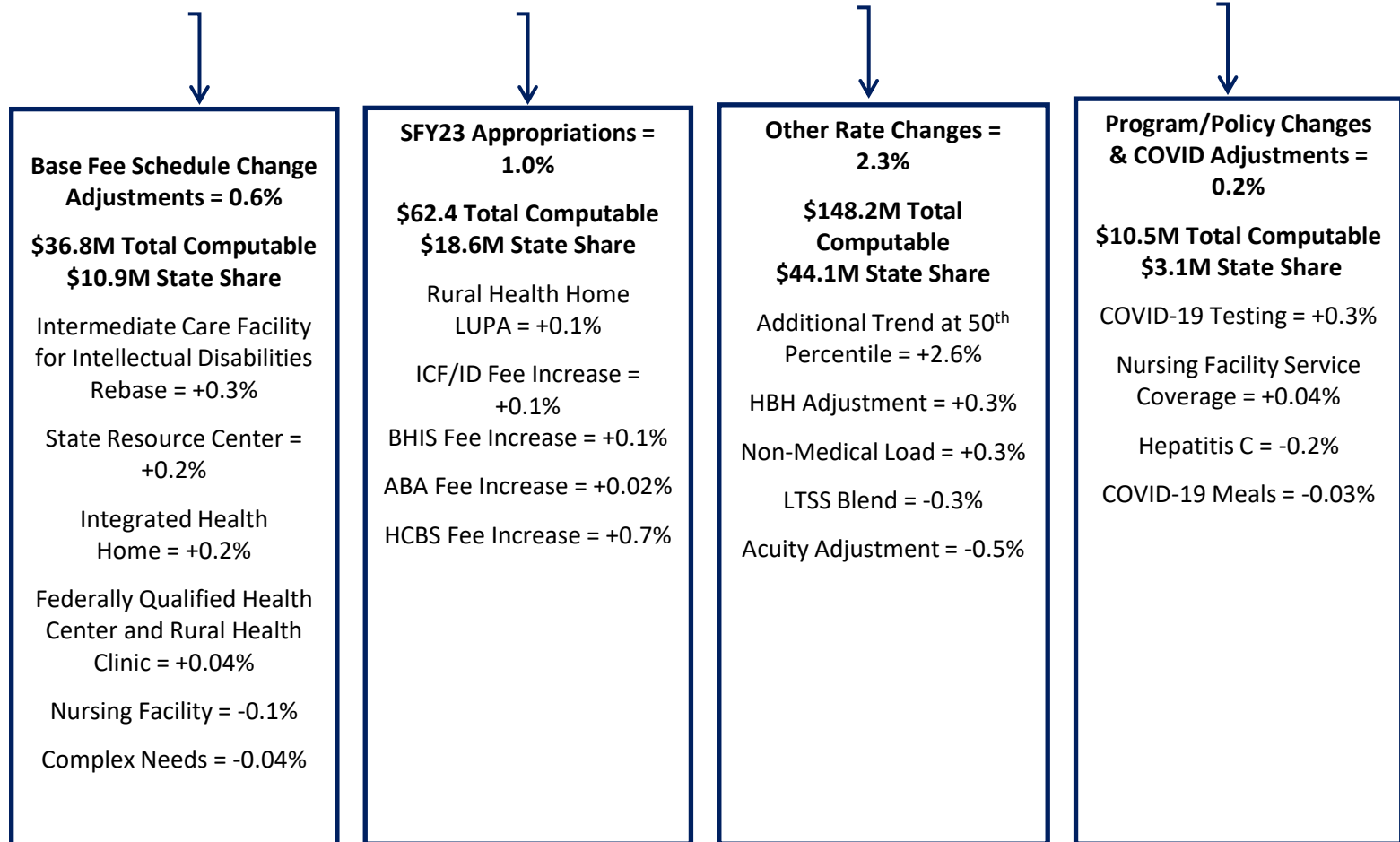
Contract Changes

Iowa HHS has made the following improvements to the MCO contracts through the following amendments:

Improvements made:

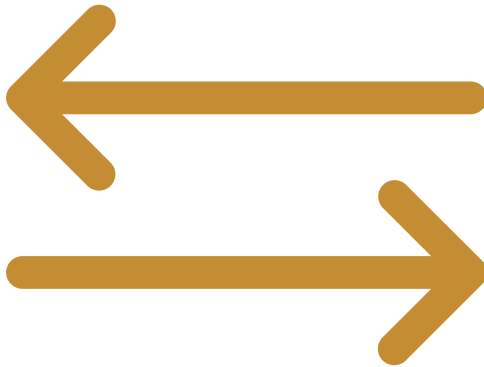
- Updated federally mandated language
- Updated State Directed Payments
- SFY23 Updated Capitation Rates
- Revised TPL Responsibilities
- MLR Update
- Update to pharmacy carve-out
- Pay for Performance Updates
- Reporting adjustments on MCOs
 - Iowa Medicaid reviews and makes ongoing changes to MCO reporting every year. The next round of review and changes will be around February 2023.

SFY22 to SFY23 Rate Increase with Appropriations¹ = 4.0%
\$257.9M Total²
\$76.7 M State Share³



1. Based on comparison of SFY23 Health Link capitation rates.
2. Values are rounded.
3. Total funds are based on an annualized impact of December 2021 enrollment. Actual funds will vary based on enrollment within the SFY23 contract period.
4. Blended State Share = 29.74% blended aggregate FMAP includes regular, enhanced, and PHE enhancement through December 31, 2022.

What are Capitation Rates?



- “Capitation Rates” refers to the way in which the state pays managed care plans (medical and dental) for covered services.
- Managed care plans are paid a determined dollar amount per member per month. This takes into consideration:
 - Member eligibility
 - Enrollment changes
 - Provider rate changes
 - Goals
 - Costs to operate the program
- Amounts to be paid are updated each year.

Medical Loss Ratio (MLR) Update

This information is available in the [SFY22 Quarter 4 report](#).



SFY22 Q3 SFY22 Q4

Capitation Totals	\$841.06 M	\$843.74 M
Adjustments	-\$.22 M	\$.57 M
Current	\$822.18 M	\$823.45 M
Retro	\$19.1 M	\$19.72 M
Third Party Liability (TPL) Recovered	\$22.91 M	\$28.23 M
Financial Ratios		
Medical Loss Ratio (MLR)	89.9%	93.9%
Administrative Loss Ratio (ALR)	5.4%	5.5%
Underwriting Ratio (UR)	4.7%	0.6%
	Annual MLR ⁵	90.0%
Reported Reserves		
Acceptable Quarterly Reserves per Iowa Insurance Division (IID)	Y	Y



SFY22 Q3 SFY22 Q4

Capitation Totals	\$611.36 M	\$613.33 M
Adjustments	-\$.82 M	-\$.02 M
Current	\$588.32 M	\$594.66 M
Retro	\$23.87 M	\$18.68 M
Third Party Liability (TPL) Recovered	\$36.03 M	\$39.45 M
Financial Ratios		
Medical Loss Ratio (MLR)	95.1%	94.2%
Administrative Loss Ratio (ALR)	3.8%	7.6%
Underwriting Ratio (UR)	1.1%	-1.8%
	Annual MLR ⁵	93.3%
Reported Reserves		
Acceptable Quarterly Reserves per Iowa Insurance Division (IID)	Y	Y

⁵ Annual MLR converts IID reported data on a calendar year basis into an average that follows state fiscal year. All amounts listed are unaudited. MCOs are required to submit data as prescribed within 30 days following the six (6) month claims run-out period for final determination of SFY MLR.

Managed Care Requirements to Pay for Services

For every dollar paid to Managed Care Plans:

\$

Ninety-two cents of every dollar is targeted at services

Eight cents are targeted at care coordination and plan operating costs.



If a managed care plan spends less than 89 cents per dollar on medical services, those unspent funds must be returned to the state.



Public Health Emergency Unwind Plan





PHE Unwind Plan: Overview

- The COVID-19 Public Health Emergency (PHE) Unwind Plan is the process of returning to normal Medicaid operations after the PHE is ended by the federal government.
- During the PHE, Iowa Medicaid was required to add flexibilities for members to assist with hardships during the pandemic.
- The Iowa Medicaid program was also required to continue Medicaid coverage for those already eligible or found eligible during the PHE, regardless of changes in circumstances.
- With the end of the federal PHE, most PHE-related Medicaid changes will also end or be phased out.

PHE Unwind Plan: Timeline

- Each Federal PHE declaration is renewed for 90-days increments.
- The PHE declaration can be allowed to expire at the end of each 90-day increment or terminated early.
- The U.S. Department of Health and Human Services has pledged to give at least 60 days' notice before the termination of the PHE.

PHE Renewal Date	PHE 90-Day Renewal End Date	60-Day Notice	Extension Expectations
July 15, 2022	Oct 13, 2022	Aug 14, 2022	The PHE is assumed to be extended as 8/15/22 has passed with no 60-day notice
Oct 14, 2022	Jan 12, 2023	Nov 12, 2022	If 60-day notice is not given by 11/13/22 a new 90-day extension is assumed
Jan 13, 2023 (Tentative)	April 13, 2023 (Tentative)	Feb 12, 2023 (Tentative)	If 60-day notice is not given by 2/12/23 a new 90-day extension is assumed

*This timeline is subject to change based on U.S. HHS plans.

PHE Unwind Plan: NAMD Call on CMS

On Nov. 17, 2022, The National Association of Medicaid Directors (NAMD) called on Congressional leaders to give states concrete commitments on when normal eligibility determinations can begin for the nearly 90 million people now covered by Medicaid programs.

The specific actions Congress can take are to:

1

Provide certainty on when Medicaid coverage redeterminations will begin, with at least 120 days advance notice.

2

Provide certainty that existing federal guidance on the redetermination period will not change.

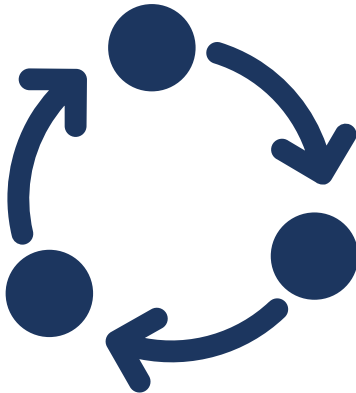
3

Provide certainty on available financial resources during the redetermination period, specifically by maintaining the current 6.2 percentage point FMAP enhancement through the first quarter of redeterminations and phasing the enhancement down over 12 months after this quarter.

4

Provide certainty that underlying Medicaid eligibility rules will not change during the redetermination period.

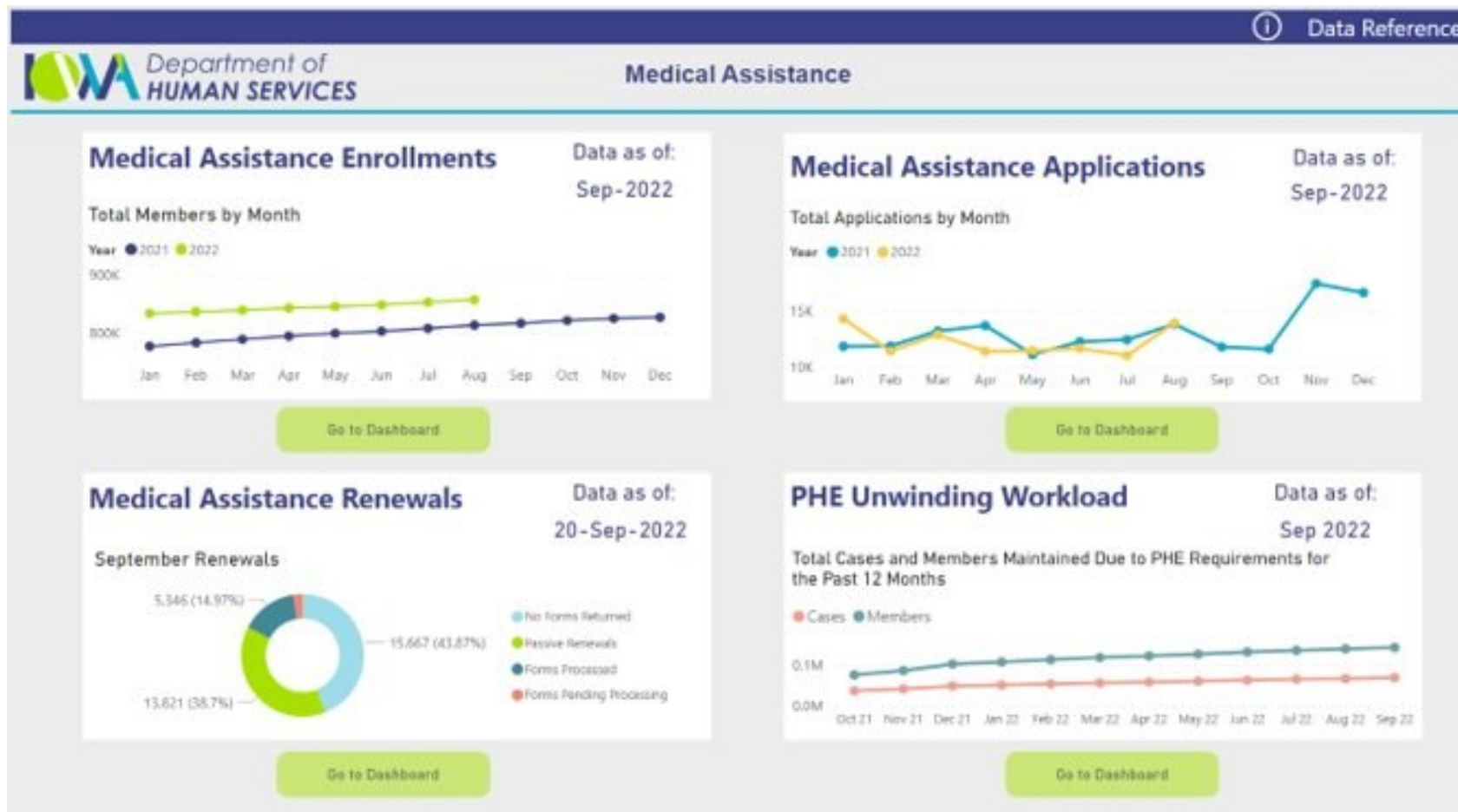
PHE Unwind Plan: Goals



1. Quick redeterminations of eligibility for all Medicaid enrollees.
2. Seamless member experience for redeterminations and possible coverage transitions.
3. Minimize impact to eligibility workers and state staff.
4. To clearly communicate the PHE Unwind Plan to our Medicaid members, providers, stakeholders and partners and be transparent with the progress of the plan.

PHE Unwind Plan: Dashboard

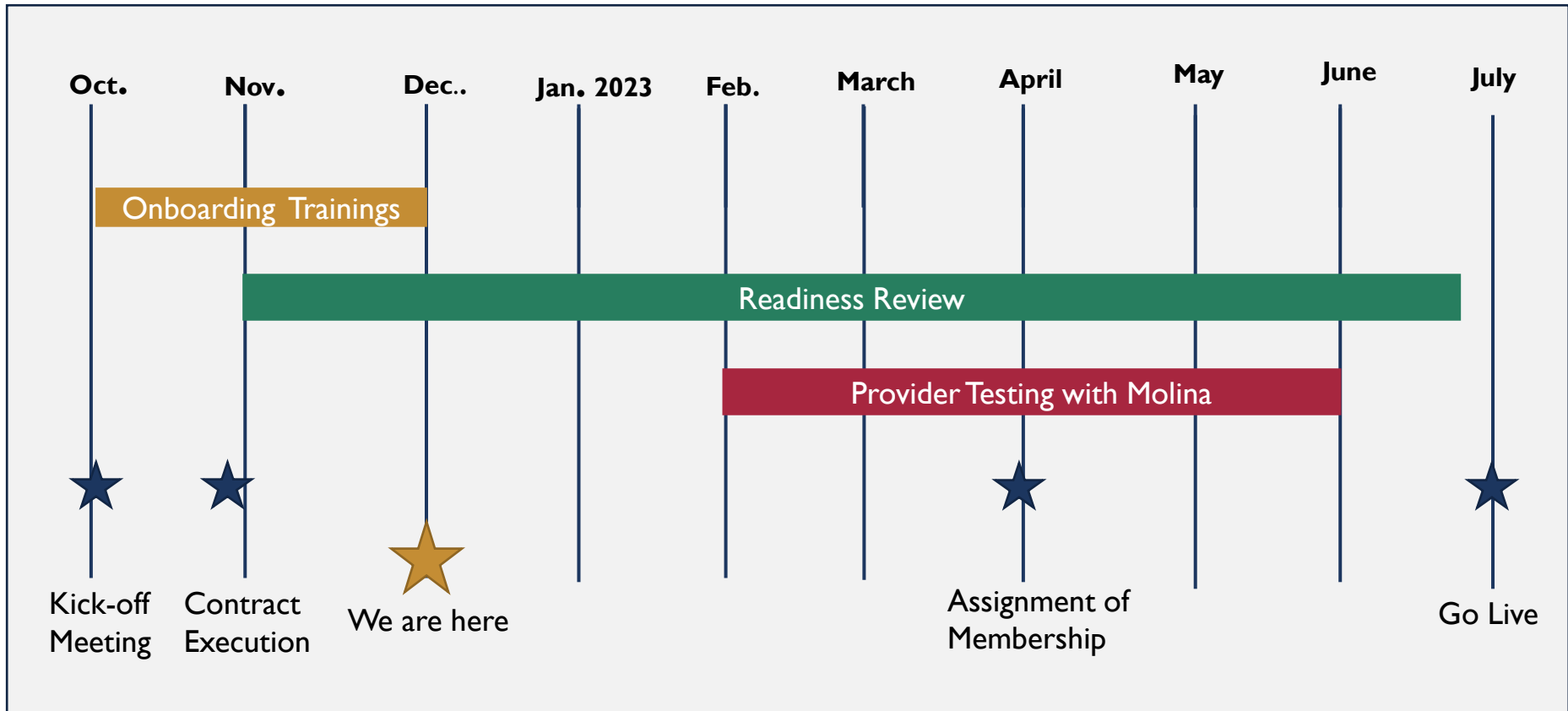
Find it here: https://dhs.iowa.gov/dashboard_medical_COVID_Unwind



Molina Healthcare of Iowa Onboarding Timeline



Molina Onboarding Timeline



- Molina has completed around 110 orientation sessions.
- That's equal to about 120 hours of training.

Questions?

